

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK**

FEDERAL DEPOSIT INSURANCE CORPORATION  
*as Receiver for CITIZENS NATIONAL BANK and  
Receiver for STRATEGIC CAPITAL BANK,*

*Plaintiff,*

v.

No. 12-cv-4000 (LTS)

BEAR STEARNS ASSET BACKED SECURITIES I  
LLC; THE BEAR STEARNS COMPANIES LLC.; J.P.  
MORGAN SECURITIES LLC.; CITICORP  
MORTGAGE SECURITIES, INC.; CITIMORTGAGE,  
INC.; CITIGROUP GLOBAL MARKETS INC.;  
CREDIT SUISSE FIRST BOSTON MORTGAGE  
SECURITIES CORP.; CREDIT SUISSE  
MANAGEMENT LLC; CREDIT SUISSE SECURITIES  
(USA) LLC; MERRILL LYNCH MORTGAGE  
INVESTORS, INC.; MERRILL LYNCH MORTGAGE  
CAPITAL INC.; MERRILL LYNCH, PIERCE,  
FENNER & SMITH INC.; ALLY SECURITIES, LLC;  
DEUTSCHE BANK SECURITIES INC.; HSBC  
SECURITIES (USA) INC.; RBS SECURITIES INC.;  
and UBS SECURITIES LLC,

*Defendants.*

**DECLARATION OF ANDREW T. FRANKEL**

I, Andrew T. Frankel, make this declaration pursuant to 28 U.S.C. § 1746. I hereby state as follows:

1. I am a member of the law firm of Simpson Thacher & Bartlett LLP and am admitted to practice before this Court. I respectfully submit this Declaration in support of the accompanying Joint Memorandum of Law in Support of Defendants' Motion to Dismiss the Complaint.

2. The table below describes true and correct copies of documents attached hereto as Exhibits. For the Court's convenience, and in lieu of providing voluminous documents, this

Declaration attaches highlighted, excerpted portions of certain Exhibits referenced in the accompanying Memorandum of Law. Should the Court desire a full copy of any Exhibit, Defendants would be pleased to provide the Court with such a copy.

Ex.	Description
1.	Report by the Office of Inspector General of the report by the Office of Inspector General of the Federal Deposit Insurance Corporation (“FDIC”) entitled “Material Loss Review of Strategic Capital Bank, Champaign Illinois,” dated December 2009. This report was downloaded from the FDIC’s public website.
2.	Report by the Office of Inspector General of the U.S. Department of the Treasury (“OIG”) entitled, “Safety and Soundness: Material Loss Review of Citizens National Bank,” dated March 22, 2010. This report was downloaded from the OIG’s public website.
3.	Excerpts of the Offering Documents for all offerings at issue, with highlighting added by Defendants’ counsel, disclosing that originators departed from their underwriting guidelines.
4.	Excerpts of the Prospectus Supplements for all offerings at issue, with highlighting added by Defendants’ counsel. These highlighted excerpts concern remedies in the event that mortgages did not conform with characteristics stated in the offering documents.
5.	Excerpts of the Offering Documents for all offerings at issue, with highlighting added by Defendants’ counsel, disclosing the methodology by which LTV figures were calculated.
6.	Excerpts of the Offering Documents for all offerings at issue, with highlighting added by Defendants’ counsel, disclosing that occupancy information was based on representations by mortgagors at the time of origination.
7.	Excerpt of a Free Writing Prospectus filed with the SEC on March 21, 2007 for RALI 2007-QS5, with highlighting added by Defendants’ counsel.
8.	Excerpt of Exhibit 99.1 to SEC Form 8K filed on July 14, 2006 for RALI 2006-QS6, with highlighting added by Defendants’ counsel.
9.	Excerpts of the Offering Documents for all offerings at issue, with highlighting added by Defendants’ counsel, warning investors to review relevant “risk factors” before purchasing certificates.
10.	Distribution report for RAST 2006-A11 released on April 25, 2008.

Ex.	Description
11.	Excerpts of the Offering Documents for all offerings at issue, with highlighting added by Defendants' counsel, disclosing that Distribution Reports would be released monthly and made available on trustees' websites.
12.	<i>In re Strategic Capital Bank</i> , Order to Cease and Desist, 2008 WL 4592001, (F.D.I.C. Aug. 14, 2008).
13.	Complaint, <i>FDIC as receiver for Strategic Capital Bank v. Countrywide Fin. Corp.</i> , No. 12-04354 (C.D. Cal. May 18, 2012).
14.	Complaint, <i>FDIC as receiver for Strategic Capital Bank v. J.P. Morgan Secs. LLC, et al.</i> , No. 12-cv-8415-MRP (MANx) (C.D. Cal. May 18, 2012).
15.	Excerpts from Distribution Reports for all Offerings issued between July 2006 and April 2008 referencing delinquencies, defaults, foreclosures, bankruptcies, and Real-Estate-Owned Properties of the underlying collateral pools.
16.	March 1, 2007 article from American Banker entitled "Mortgage Securities: Slow MBS Market Hikes Fraud Risk," by Glen Fest.
17.	January 1, 2006 article from the publication Mortgage Banking entitled "Finally catching on," by Steve Bergsman.
18.	Bloomberg terminal printouts displaying credit ratings information for the Offerings. These printouts were used to create the chart attached as Appendix B.
19.	March 06, 2008 press release from Fitch Ratings entitled "U.S. Alt-A RMBS Performance Deteriorating Rapidly, Fitch Initiates Extensive Review Ratings Endorsement Policy."
20.	March 26, 2007 article from Bloomberg entitled "ResCap Bonds Cut by Bank of America as Finance Executives Leave" by Christine Richard.
21.	May 31, 2007 article from the Financial Times entitled "Fears over helping hand for mortgage defaulters" by Saskia Scholtes.
22.	Bankruptcy Petition filed in <i>In re American Home Mortgage, Inc.</i> , No. 07-11047 (Bankr. D. Del. Aug. 6, 2007).
23.	August 20, 2007 article from BusinessWeek entitled, "Did Big Lenders Cross the Line?," by Mara Der Hovanesian and Brian Grow.

Ex.	Description
24.	September 1, 2007 article from the Los Angeles Times entitled “Citi to buy remains of Ameriquest,” by E. Scott Reckard.
25.	Excerpt from the complaint filed in <i>Luther v. Countrywide Fin. Corp.</i> , No. BC 380698 (Cal. Super. Ct.) (filed Nov. 14, 2007).
26.	Complaint, <i>Luminent Mortg. Capital, Inc. v. Merrill Lynch &amp; Co.</i> , No. 2:07-cv-05423 (E.D. Pa.) (filed Dec. 24, 2007).
27.	Excerpts of complaints filed in: <i>DLJ Mortgage Capital, Inc. v. Sunset Direct Lending, LLC</i> , No. 07 Civ. 1418 (S.D.N.Y. Feb. 27, 2007); <i>DLJ Mortgage Capital, Inc. v. Home Loan Corp.</i> , No. 07 Civ. 4167 (S.D.N.Y. May 29, 2007); <i>DLJ Mortgage Capital, Inc. v. ACT Lending Corp.</i> , No. 07 Civ. 10318 (S.D.N.Y. Nov. 14, 2007); <i>DLJ Mortgage Capital, Inc. v. Cameron Financial Group, Inc.</i> , No. 07 Civ. 3746 (S.D.N.Y. Dec. 14, 2007); and <i>DLJ Mortgage Capital, Inc. v. Right-Away Mortgage Inc.</i> , No. 07 Civ. 2791 (S.D.N.Y. Feb. 2008).
28.	January 12, 2008 article from The New York Times entitled “Inquiry Focuses on Withholding of Data on Loans,” by Vikas Bajaj and Jenny Anderson.
29.	January 26, 2008 article from the Los Angeles Times entitled “Suit against home lender is expanded; Banks and firms are added as defendants in the Countrywide case.”
30.	January 27, 2008 article from The New York Times entitled “Loan Reviewer Aiding Inquiry Into Big Banks,” by Vikas Bajaj and Jenny Anderson.
31.	January 28, 2008 article from The Wall Street Journal entitled “Due-Diligence Firm to Aid New York Subprime Probe,” by Amir Efrati and Ruth Simon.
32.	January 30, 2008 Article from the Wall Street Journal entitled “FBI Launches Subprime Probe,” by Evan Perez and Kara Scannell.
33.	January 30, 2008 article from the Los Angeles Times entitled “MORTGAGES; FBI is pursuing 14 probes of lenders; The cases also extend to home builders and others that may have juggled their books,” by E. Scott Reckard.
34.	Excerpts of the Second Amended Complaint from <i>Tripp v. IndyMac Bancorp, Inc.</i> , 07-cv-1635-GW (VBK) (C.D. Cal. Jan. 18, 2008).
35.	Excerpts of Wachovia Corporation’s SEC Form 8-K, dated January 22, 2008, with highlighting added by Defendants’ counsel.
36.	Excerpts of the complaint filed in <i>Casey v. National City Corporation</i> , 08-cv-00209 (N.D. Ohio Jan. 24, 2008).

Ex.	Description
37.	Excerpts of Offering Documents for all offerings at issue disclosing the geographic concentrations of the mortgage collateral, with highlighting added by Defendants' counsel.
38.	Excerpts of Offering Documents for all offerings at issue disclosing the risk associated with geographic concentrations of the mortgage collateral, with highlighting added by Defendants' counsel.
39.	Excerpt from the complaint filed in <i>Plumbers' Union Local No. 12 Pension Fund v. Nomura Asset Acceptance Corp.</i> , No. 08 Civ. 10446 (RGS) (D. Mass.) (filed Jan. 31, 2008).
40.	Excerpts of the complaint from <i>Miller v. Wachovia Corp.</i> , 2:08-cv-00879-JS-WDW (E.D.N.Y. Feb. 5, 2008).
41.	February 8, 2008 report from the Los Angeles Times entitled "Wall Street Roundup: S&P issues list of rating reforms."
42.	Excerpts of Residential Capital, LLC's SEC Form 10-K, dated February 27, 2008, with highlighting added by Defendants' counsel.
43.	Excerpts of Residential Capital, LLC's SEC Form 8-K, dated May 5, 2008, with highlighting added by Defendants' counsel.
44.	Excerpts of IndyMac Bancorp, Inc.'s SEC Form 10-K, dated February 29, 2008, with highlighting added by Defendants' counsel.
45.	March 11, 2008 article from The Wall Street Journal entitled "Loan Data Focus of Probe," by Glenn R. Simpson.
46.	March 13, 2008 press release from the U.S. Department of the Treasury entitled "President's Working Group Issues Policy Statement To Improve Future State of Financial Markets."
47.	March 14, 2008 article from the Associated Press entitled "Moody's Cuts National City Ratings."
48.	Excerpt from the complaint filed in <i>City of Ann Arbor Emps.' Ret. Sys. v. Citigroup Mortg. Loan Trust Inc.</i> , No. 08-005187 (N.Y. Sup. Ct.) (March 19, 2008).
49.	Excerpt from the complaint filed in <i>Plumbers' &amp; Pipefitters' Local #562 Supp. Plan &amp; Trust v. J.P. Morgan Acceptance Corp. I</i> , No. 08 Civ. 1713 (E.D.N.Y.) (Mar. 26, 2008).
50.	Excerpts of National City Corporation's SEC Form 8-K, dated April 21, 2008, with highlighting added by Defendants' counsel.

Ex.	Description
51.	Excerpts of the IndyMac Defendants' Memorandum of Law in Support of Their Motion to Dismiss the Amended Consolidated Complaint, <i>In re IndyMac Mortgage-Backed Secs. Litig.</i> , No. 09-CIV-4583 (S.D.N.Y. Nov. 23, 2009). Per footnote 1 on page 1, the FDIC as Receiver for IndyMac Bank, F.S.B. controlled and administered the IndyMac Defendants.
52.	2010 CoreLogic paper entitled "Forecast Standard Deviation & AVM Confidence Scores."
53.	June 19, 2010 article from The New York Times entitled "The Inflatable Loan Pool," by Gretchen Morgenson.
54.	August 2010 CoreLogic white paper entitled "Retrospective AVMs – How Do They Work & How Accurate Are They?" by Susan Allen.
55.	Excerpts of the Offering Documents for RAST 2007-A1, BSABS 2007-AC5, MANA 2007-F1, RAST 2006-A11, and RAST 2006-A14CB, with highlighting added by Defendants' counsel, concerning the calculation of CLTV ratios.
56.	Excerpts of the Offering Documents for CSMC 2006-6, MANA 2007-F1, RALI 2006-QS6, RALI 2006-QS8, RALI 2006-QS16, RALI 2006-QS18, RALI 2007-QS5, RAST 2006-A11, RAST 2007-A1, RAST 2006-A14CB and CMALT 2006-A6, with highlighting added by Defendants' counsel, disclosing that there was a possibility of misrepresentation by borrowers.
57.	Excerpts of the Offering Documents for all offerings at issue, with highlighting added by Defendants' counsel, concerning the documentation required for underwriting loans.
58.	Excerpts of the Offering Documents for BSABS 2007-AC5, CSMC 2006-6, MANA 2007-F1, RAST 2006-A11, RAST 2007-A1, RAST 2006-A14CB, RALI 2007-QS5, RALI 2006-QS16, RALI 2006-QS8, RALI 2006-QS18, and RALI 2006-QS6, with highlighting added by Defendants' counsel, disclosing that underwriting guidelines were less stringent than those established by Fannie Mae or Freddie Mac.
59.	Excerpts of the Offering Documents for all offerings at issue, with highlighting added by Defendants' counsel, disclosing that mortgagors may experience high delinquency rates resulting from the various qualities of the mortgages and mortgagors.
60.	Excerpts of the Prospectus Supplements for the CSMC 2006-6 offering, with highlighting added by Defendants' counsel concerning certain issues relating to the underwriting of mortgage loans.
61.	Excerpts of the Prospectus Supplements for all offerings at issue, with highlighting added by Defendants' counsel concerning credit ratings of the mortgage-backed pass-through certificates at issue in this case.

Ex.	Description
62.	SEC Form 15s filed by defendants in the CMALT 2006-A6, CSMC 2006-6, RALI 2006-QS6, RALI 2006-QS8, RAST 2006-A11, and RAST 2006-A14CB offerings.

I declare under penalty of perjury that the foregoing is true and correct.

Dated: December 6, 2012  
New York, New York

\_\_\_\_\_  
/s/ Andrew T. Frankel  
Andrew T. Frankel